

HOUSE No. 2167

By Mr. Larkin of Pittsfield, petition of Peter J. Larkin for legislation to provide for a highway business revolving loan fund. Transportation.

The Commonwealth of Massachusetts

In the Year Two Thousand and Five.

AN ACT PROVIDING FOR A HIGHWAY BUSINESS REVOLVING LOAN FUND.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 6A of the General Laws is hereby amended by
2 inserting after section 19A, as appearing in the 1992 Official Edi-
3 tion, the following three sections:—

4 Section 19B. There is hereby established the Highway Business
5 Revolving Loan Fund which shall be under the control of the
6 executive office of transportation and construction but shall con-
7 sist of a separate account or accounts segregated from other
8 agency funds, to which shall be credited any appropriations made
9 to the agency for the purpose of assisting business disrupted by
10 road or highway construction, together with such other accounts
11 as may become available from any other source. The agency may
12 from time to time withdraw from said Fund such amounts as may
13 be necessary to provide funds for carrying out the purposes of this
14 section and sections nineteen C and nineteen D. No funds shall be
15 appropriated nor credited to the fund until the advisory council
16 established pursuant to subsection (b) of section nineteen C, has
17 filed an approved, recommended program with the clerks of the
18 senate and the house of representatives and with the commissioner
19 of administration.

20 Section 19C. (a) The secretary of the executive office of trans-
21 portation and construction may establish rules and regulations
22 relative to the Highway Business Revolving Loan Fund.

23 (b) In addition, said secretary is hereby authorized and directed
24 to:

25 (1) Establish a Highway Business Revolving Loan Fund advi-
26 sory council, which shall consist of seven members, three mem-
27 bers to be appointed by the secretary of the executive office of
28 transportation and construction, experienced in business and
29 finance, two members appointed by the commissioner of banks
30 who are experienced in banking, three members appointed by the
31 secretary of consumer affairs and business regulation. Said
32 council shall act in an advisory capacity to the secretary of the
33 executive office of transportation and construction in matters
34 relative to processing loan applications and said council may
35 review and provide technical comments regarding each loan appli-
36 cation submitted for approval.

37 (2) After providing due notice and opportunity for a hearing,
38 shall recommend a program to provide sources of funds,
39 including, but not limited to, federal, state or private funding, and
40 issuance of debt or industry assessments for the Fund. Such rec-
41 ommended program shall, after approval by the secretary of the
42 executive office of transportation and construction, be filed with
43 the clerks of the senate and the house of representatives and with
44 the commissioner of administration.

45 (3) Upon application of a business organization disrupted by
46 road or highway construction, make loans of moneys held in the
47 said Fund, secured by mortgages and provide for the repayment
48 and redeposit of such allocations and loans in the manner here-
49 inafter provided:

50 (i) not more than two hundred thousand dollars shall be loaned
51 to any one business. If the secretary of the executive office of
52 transportation and construction determines, after the initial loan
53 by the agency, that additional moneys are required to protect the
54 initial loan of the agency, it may approve an additional loan not to
55 exceed the amount of the initial loan; the processor may use the
56 proceeds of the loan for the purposes of financing operations,
57 inventory, or such other purposes as may be approved by said sec-
58 retary.

59 (ii) upon default, take title by foreclosure proceeding to the
60 property of any such business to recover any loan previously
61 made therefor by the agency and pay all costs arising out of such
62 foreclosure and acquisition from moneys held in said Fund and
63 sell, transfer and convey any such property to any responsible

64 buyer in the event such sale, transfer or conveyance cannot be
65 effected within a reasonable time, the agency may lease such
66 facilities to a responsible tenant or tenants to minimize financial
67 losses and sustain employment. The agency shall not lease such
68 property except under the conditions and for the purposes set forth
69 therein.

70 Section 19D. (a) The secretary of transportation and construc-
71 tion may, upon application by business disrupted by road or
72 highway construction, grant a loan based upon his finding that it
73 will contribute to the economic stimulation of the business and is
74 consistent with the purpose set forth in section nineteen B.

75 (b) Any such business may make an application to the secretary
76 in a form approved by said secretary which shall contain at least
77 the following:

78 (1) a general description of the company, including but not lim-
79 ited to, a business plan, corporate history, last audited financial
80 statement and an inventory of equipment owned or to be pur-
81 chased;

82 (2) a general description of the number, type and class of
83 employees employed or to be employed in the operation and the
84 total of salary expenditures;

85 (3) a description of all real estate held or used in conjunction
86 with the applicant's business, including leased facilities and a list
87 of encumbrances thereon;

88 (4) evidence that the loan will increase or retain employment;

89 (5) such other financial information as the secretary shall deem
90 necessary, including personal financial information of the appli-
91 cant and principals of the applicant.